

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1803 - SB 1906**

February 2, 2018

**SUMMARY OF BILL:** Authorizes a local government to participate in, sponsor, conduct, or administer a cooperative purchasing agreement (cooperative) for the procurement of farm tractors, mowers, earth-moving machinery, and construction machinery.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent local governments enter into cooperative agreements to purchase farm tractors, mowers, earth-moving machinery, and construction machinery, there may be permissive local cost avoidances. The extent and timing of any permissive local cost avoidances cannot be reasonably determined.**

Assumptions:

- Any action taken by a local government to enter into a cooperative to purchase farm tractors, mowers, earth-moving machinery, and construction machinery is permissive.
- Local governments will enter into cooperatives for such items in instances where they can experience cost savings compared to conducting other procurement methods.
- The total statewide permissive cost avoidance to local government is dependent on multiple unknown factors such as: the number of local government purchasing farm tractors, mowers, earth-moving machinery, and construction machinery; the timing of any such purchase; and the purchase price for any such item under a cooperative compared to the price under alternate procurement methods.
- Given the extent of unknown factors, the precise fiscal impact to local government cannot be reasonably determined; however, in instances where a cooperative is used to purchase such items, local governments will incur permissive cost avoidances.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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